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ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

41 October 8, 2013

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

October 08, 2013

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**AUTHORIZE THE ACQUISITION AND INSTALLATION OF A COMPUTED
TOMOGRAPHY SCANNER AT MARTIN LUTHER KING, JR. MULTI-
SERVICE AMBULATORY CARE CENTER
(SECOND DISTRICT)
(3 VOTES)**

SUBJECT

Authorize a capital asset acquisition and installation of a Computed Tomography scanner for the Department of Health Services at Martin Luther King, Jr. Multi-Service Ambulatory Care Center.

IT IS RECOMMENDED THAT THE BOARD:

1. Authorize the Internal Services Department (ISD), as the County's Purchasing Agent, to proceed with the acquisition of a Computed Tomography (CT) scanner including installation work to accommodate the new equipment, for the Department of Health Services (DHS) at Martin Luther King, Jr. Multi-Service Ambulatory Care Center (MLK MACC), with an estimated acquisition cost of \$1,250,000, as this purchase request will exceed the \$250,000 capital asset threshold established by the Board.
2. Authorize the County Purchasing Agent to issue an extended maintenance agreement which will cover the CT scanner for an additional five years beyond the initial two year standard warranty period included in the purchase price, at an estimated cost of \$170,000 per year, for a total estimated cost of \$850,000.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will enable DHS to acquire and install a new CT scanner in the MLK MACC replacement facility. CT scanning is essential to all aspects of patient care including urgent care, ambulatory surgical center, primary care clinics, pediatrics clinics and specialty clinics which include orthopedics, podiatry and general surgery clinics. The new CT scanner will incorporate advanced radiology technologies with the capacity to conduct more detailed studies and improve patient diagnoses and outcomes, while increasing patient flow. This acquisition will replace the five year old scanner that is housed in the current MLK MACC facility.

Installation work will consist of necessary utility modifications within the room to provide connectivity to the new CT scanner. The work to install a new flooring system in the CT room will be funded separately and completed by either an outside vendor, DHS Building Crafts staff or County-approved Job Order Contractor. DHS will work with ISD and the selected vendor to expedite this project. In the event the new CT is not installed by the opening date of the new MACC facility, the existing CT equipment within the old MACC facility will continue to provide radiology services to patients as needed. Attachment A provides a project schedule and budget summary.

Implementation of Strategic Plan Goals

The recommended actions support Goal 1, Operational Effectiveness, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The total estimated cost of the proposed acquisition, including procurement of the new CT scanner, installation work to house the equipment, change order allowance and extended services warranty is \$2,100,000. The estimated cost of the CT scanner will be \$1,053,000 which includes the vendor buy-back estimate of \$300,000 for the existing CT scanner. The installation work to house the equipment and any change order allowance will be \$197,000. The CT scanner will have a manufacturer's warranty for the first two years and DHS will purchase an additional five years extended service warranty at an estimated cost of \$170,000 per year, for a total estimated cost of \$850,000.

This project will be financed through the Los Angeles County Capital Asset Leasing program.

Funding for the equipment and installation is included in DHS' Fiscal Year 2013-14 Board Adopted Budget. The five years extended service warranty funding will be requested in future fiscal years as necessary.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On October 16, 2001, the Board approved the classification categories for fixed assets and new requirements for major fixed asset (now referred to as capital asset) acquisitions requiring County departments to obtain Board approval to purchase or finance equipment with a unit cost of \$250,000, or greater, prior to submitting their requisitions to ISD.

CONTRACTING PROCESS

The acquisition of equipment falls under the statutory authority of the County Purchasing Agent. The purchase will be requisitioned through and accomplished by the Purchasing Agent in accordance with the County's purchasing policies and procedures established by ISD.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendation actions allow DHS to produce quality images that meet current standards for diagnostic studies, improve patient diagnoses and outcomes, and increase patient flow.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is written in a cursive, flowing style.

Mitchell H. Katz, M.D.
Director

MHK:rg

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors
Internal Services Department

ATTACHMENT A

**COMPUTED TOMOGRAPHY SCANNER PROJECT AND BUDGET
SCHEDULE**

I. PROJECT SCHEDULE

Project Activity	Scheduled Completion Date
Release of Solicitation Document	November/2013
Issue Purchase Order Contract	January/2014
Vendor Prepares Design Documents	March/2014
Obtain Jurisdictional Approvals	April/2014
Substantial Completion	July/2014

II. BUDGET SUMMARY

Budget Category	Proposed Budget (\$)
<u>Installation Work</u>	
Design	24,000
Installation Work	46,000
Project Management, General Conditions, , Insurance, Etc.	57,000
Change Order Allowance	29,000
Inspections, Permits & Misc. Fees	41,000
Subtotal	197,000
<u>Equipment Purchase</u>	
CT Scanner Equipment (adjusted for trade-in)	1,353,000
Trade-in (estimated)	(300,000)
Subtotal	1,053,000
Subtotal	<u>1,250,000</u>
<u>Warranty</u>	
Five Year Extended Service Warranty	850,000
Total	<u>2,100,000</u>